



Argentina



9M'21

Earnings Presentation

Important Information

Non-IFRS and alternative performance measures

This presentation contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and derived from our financial statements, alternative performance measures (“APMs”) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures (“Non-IFRS Measures”). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Santander Group; however, those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the “management adjustment” line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors’ Report included in our Annual Report on Form 20-F for the year ended 31 December 2020. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. For further details on APMs and Non-IFRS Measures, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2020 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) on 26 February 2021, as updated by the Form 6-K filed with the SEC on 14 April 2021 in order to reflect our new organizational and reporting structure, as well as the section “Alternative performance measures” of the annex to the Banco Santander, S.A. (“Santander”) Q3 2021 Financial Report, published as Inside Information on 27 October 2021. These documents are available on Santander’s website (www.santander.com). Underlying measures, which are included in this presentation, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

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Santander advises that this presentation contains “forward-looking statements” as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like “expect”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “RoRAC”, “RoRWA”, “TNAV”, “target”, “goal”, “objective”, “estimate”, “future” and similar expressions. Found throughout this presentation, they include (but are not limited to) statements on our future business development, economic performance and shareholder remuneration policy. However, a number of risks, uncertainties and other important factors may cause actual developments and results to differ materially from our expectations. The following important factors, in addition to others discussed elsewhere in this presentation, could affect our future results and could cause materially different outcomes from those anticipated in forward-looking statements: (1) general economic or industry conditions of areas where we have significant operations or investments (such as a worse economic environment; higher volatility in the capital markets; inflation or deflation; changes in demographics, consumer spending, investment or saving habits; and the effects of the COVID-19 pandemic in the global economy); (2) exposure to various market risks (particularly interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices); (3) potential losses from early repayments on our loan and investment portfolio, declines in value of collateral securing our loan portfolio, and counterparty risk; (4) political stability in Spain, the United Kingdom, other European countries, Latin America and the US (5) changes in legislation, regulations, taxes, including regulatory capital and liquidity requirements, especially in view of the UK exit of the European Union and increased regulation in response to financial crisis; (6) our ability to integrate successfully our acquisitions and related challenges that result from the inherent diversion of management’s focus and resources from other strategic opportunities and operational matters; and (7) changes in our access to liquidity and funding on acceptable terms, in particular if resulting from credit spreads shifts or downgrade in credit ratings for the entire group or significant subsidiaries.

Important Information

Numerous factors could affect our future results and could cause those results deviating from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

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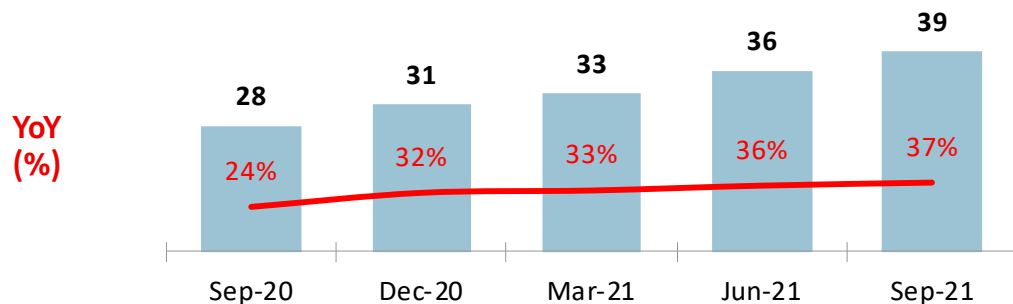
Appendix



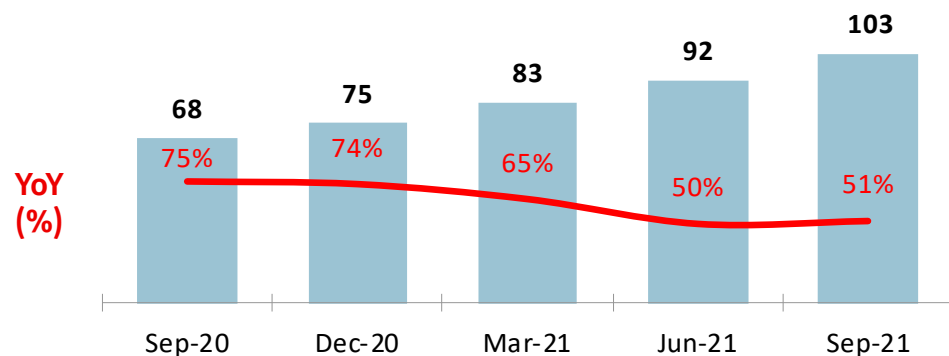
Transactional and well capitalized financial system



Total loans (Constant EUR bn)¹



Total customer funds (Constant EUR bn)^{1,2}



- ▶ Loans/GDP³: 9.0%. Deposits/GDP³: 18.9%.
- ▶ Loans: +43% growth YoY in local currency and +7% in dollar-denominated portfolio (in local currency).
- ▶ Deposits: 45% growth YoY, 48% in local currency and +34% in dollar-denominated portfolio (in local currency).
- ▶ High liquidity levels in both pesos and USD. Excess liquidity placed in Central Bank notes and repos.
- ▶ Improved capital ratio³: 23.7%. CET1 Ratio³: 25.5%.
- ▶ Private sector NPL ratio³ at 4.9% and coverage³ at 119%, impacted by temporary regulatory flexibility which ended in Jun-21.
- ▶ 12M inflation: 51.4%.

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Santander Argentina: the leading privately-owned bank in Argentina by deposit volumes

KEY DATA	9M'21	YoY Var. ⁴
 Customer loans ¹	EUR 4,928 mn	+32.9%
 Customer funds ²	EUR 11,285 mn	+53.3%
 Underlying att. Profit	EUR 180 mn	+43.4%
 Underlying RoTE	25.3%	-3.9 pp
 Efficiency ratio	59.6%	+514 bps
 Loans market share ³	10.5%	-8 bps
 Deposits market share ³	11.5%	+24 bps
 Loyal customers	1.6 mn	+20.1%
 Digital customers	2.7 mn	+0.9%
 Branches	408	-4.4%
 Employees	8,715	-6.0%



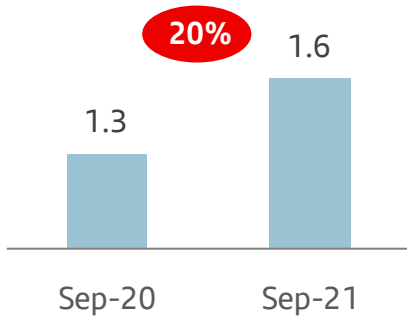
STRATEGIC PRIORITIES

- ▶ Customer-centric decisions, helping people and businesses prosper
- ▶ Progressing towards a simpler and more efficient model, driven by digital transformation
- ▶ Profitable growth increasing revenue with efficient capital allocation
- ▶ Be agile and collaborative, with challenging goals and clear priorities
- ▶ Continue building our financial services platform



High digitalization levels and solid loyalty ratio

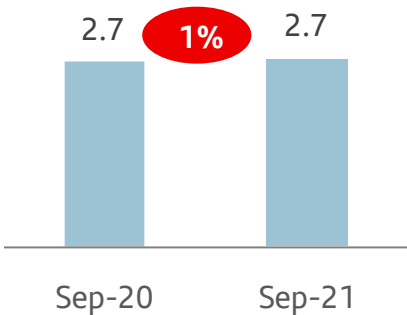
Loyal customers (mn)¹



- ▶ Total customers increased by 151 k YoY
- ▶ Loyal individuals rose 18% YoY¹ and loyal corporates 39% YoY¹
- ▶ 67% of our SME customers and 59% of our middle market companies are loyal customers

Loyal / Active: 52% (+9 pp YoY)

Digital customers (mn)



- ▶ Digital transactions increased 23% (9M'21 vs. 9M'20)
- ▶ Mobile customers rose 19% YoY
- ▶ 100% digital onboarding for basic accounts and SMEs

Digital sales / total²: 78% (+8 pp YoY)



(1) YoY increases partially explained by the addition of new products in the loyalty criteria in 2021
 (2) YTD data



Customer-centric business model

Building Santander platform

Getnet Grupo Santander payment solution

superdigital 100% digital platform to promote financial inclusion

Santander Consumer Finance Consumer finance company

MODO Systemic company to promote digital payments and increase financial inclusion

Enhancing our network model

- ▶ **Santander Express:** expanding our non-banking correspondent network 
- ▶ **Agribusiness office** 
- ▶ **Work Café**
- ▶ **Financial inclusion branches**
- ▶ **2.0 branches:** closer to our customers supported by technology

Towards a more digital bank

- ▶ **100% digital onboarding** for basic accounts and SMEs
- ▶ **Top app rating** in iOS and Android
- ▶ **ECHEQ:** digital experience in check issuing, endorsing and financing
- ▶ **Foreign Trade services** in digital channels



Adding value to different audiences

WOMEN
el programa exclusivo para la mujer

nova

DUO

iu
#Pensadoporvos

Cuenta Blanca

Cuenta Senior

Reward and benefit programmes

SUPER CLUB



¡VOLVIERON LOS SÚPER MIÉRCOLES!
30%
25%

SORPRESA
Santander

Recognitions

GREAT PLACE TO WORK

EUROMONEY

- ▶ Top 5 in GPTW for 12 years

- ▶ Best Bank 2021



Further embedding ESG to build a more responsible bank



Environmental: supporting the green transition

Helping customers go green¹
EUR 60 mn

Santander was involved in the placement of the 1st local bond issuance with green and social certification and the 1st sustainability linked bond in the domestic capital markets

EUR 60 mn
 Green loans for CIB customers

Going green ourselves

Energy

19.5% from renewable energy¹


Carbon Neutral

offsetting 18,387 CO₂ tonnes emitted in 2020



Social: building a more inclusive society

Talented & diverse team²

Top **3** company to work for³  **22%** women in leadership positions
40 people with disabilities

Supporting society¹

>EUR 670 k invested in university programmes sponsorship	>13.3 k items exchanged under "Super Club Comprometidos"
>1.6 k people financially empowered in H1'21	Volunteering 90 employees contributing



Governance: doing business the right way

A strong culture: SPF

Taking ESG criteria into account when determining remuneration

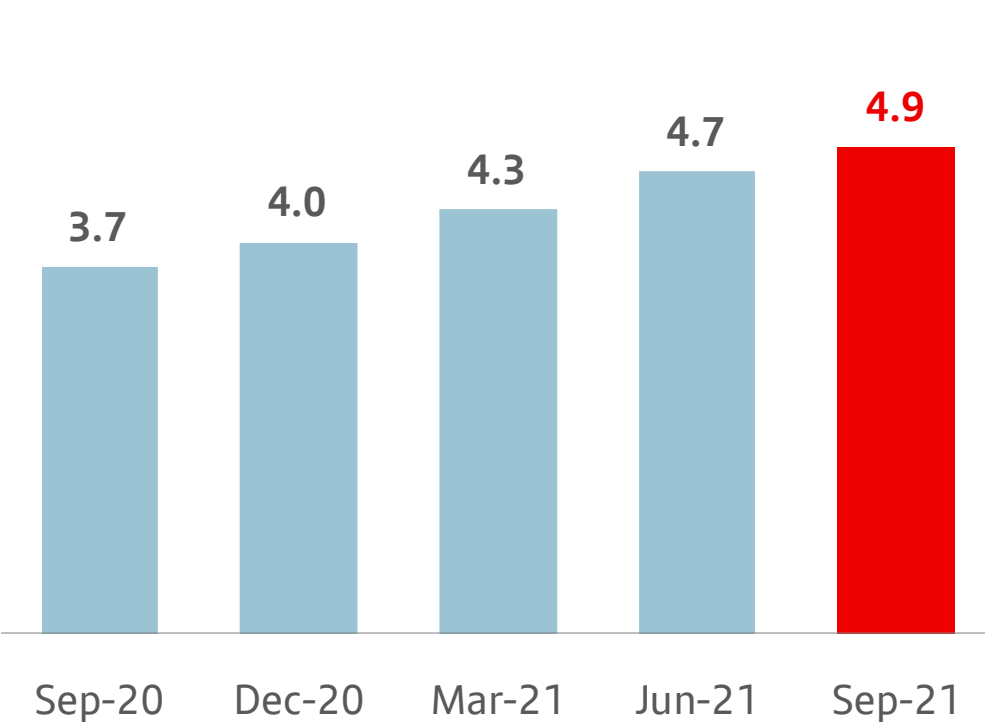
An independent, diverse Board²

45% independent directors
27% women on Board



Loans grew 33% YoY mainly driven by Individuals and Corporates

Total customer loans (Constant EUR bn)¹

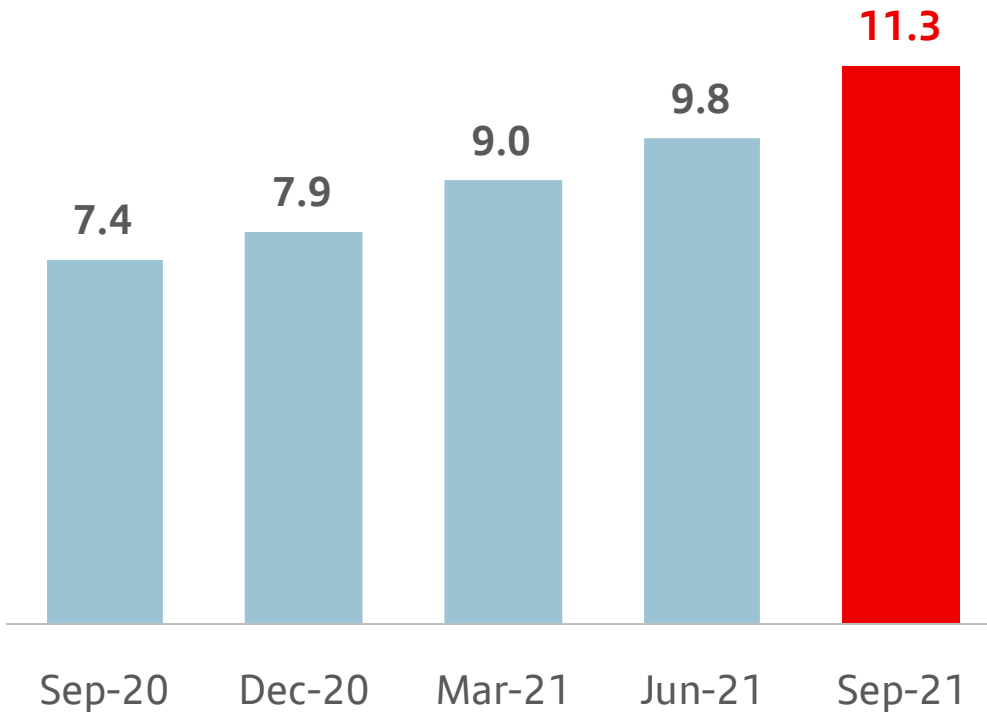


	Sep-21	Sep-20	YoY (%)	QoQ (%)
Individuals²	2.3	1.5	47.0	7.6
o/w Mortgages	0.3	0.2	35.7	5.9
o/w Cards & Consumer Credit	1.8	1.2	45.9	6.2
SMEs	0.5	0.4	35.1	10.5
Corporates & Institutions	0.7	0.5	40.4	9.9
CIB	1.3	1.2	11.1	-3.1
Other	0.1	0.1	28.5	30.1
Total customer loans	4.9	3.7	32.9	5.4



Total customer funds rose 53% YoY spurred by local currency deposits and mutual funds

Total customer funds (Constant EUR bn)¹



	Sep-21	Sep-20	YoY (%)	QoQ (%)
Demand	6.0	4.2	43.3	15.6
Time	2.9	1.8	62.7	13.0
Total deposits	8.9	5.9	49.1	14.7
Mutual Funds	2.4	1.4	70.9	15.9
Total customer funds	11.3	7.4	53.3	15.0

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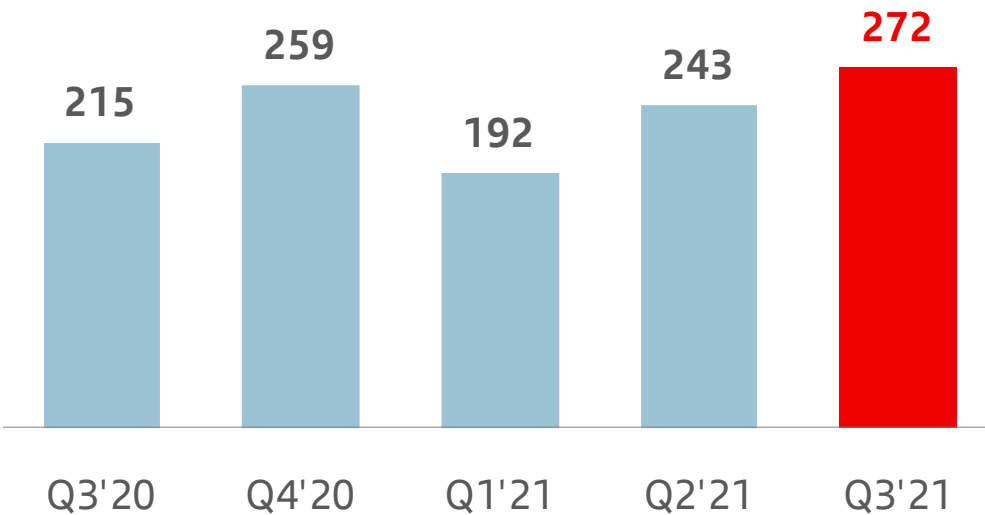
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9M'21 net interest income rose 26% YoY driven by volumes, offsetting the pressure on spreads and funding mix

Net interest income (Constant EUR mn)¹



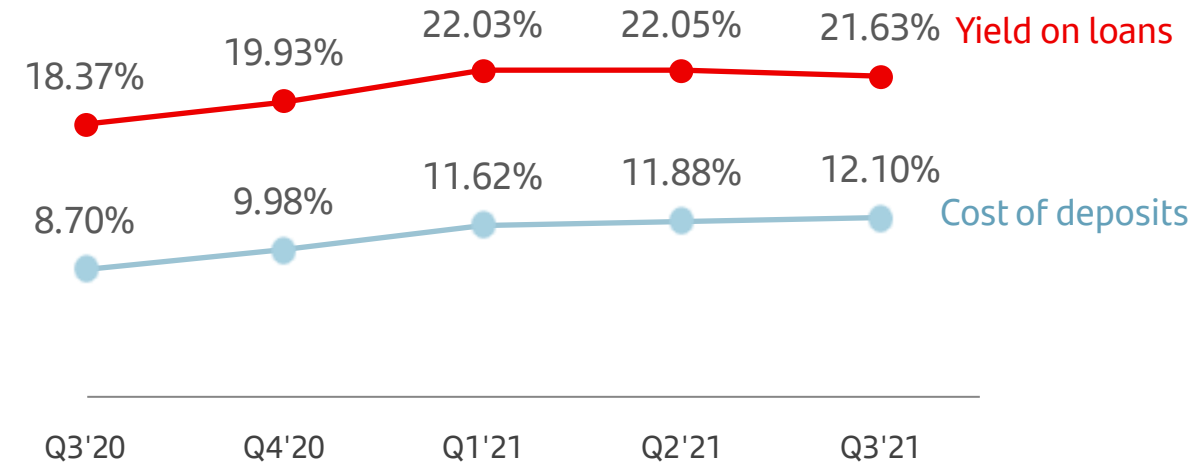
NIM²

10.49%	12.35%	8.22%	9.53%	9.65%
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Official interest rate³

29.64%	32.52%	34.10%	34.11%	34.15%
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Yields and Costs (%)

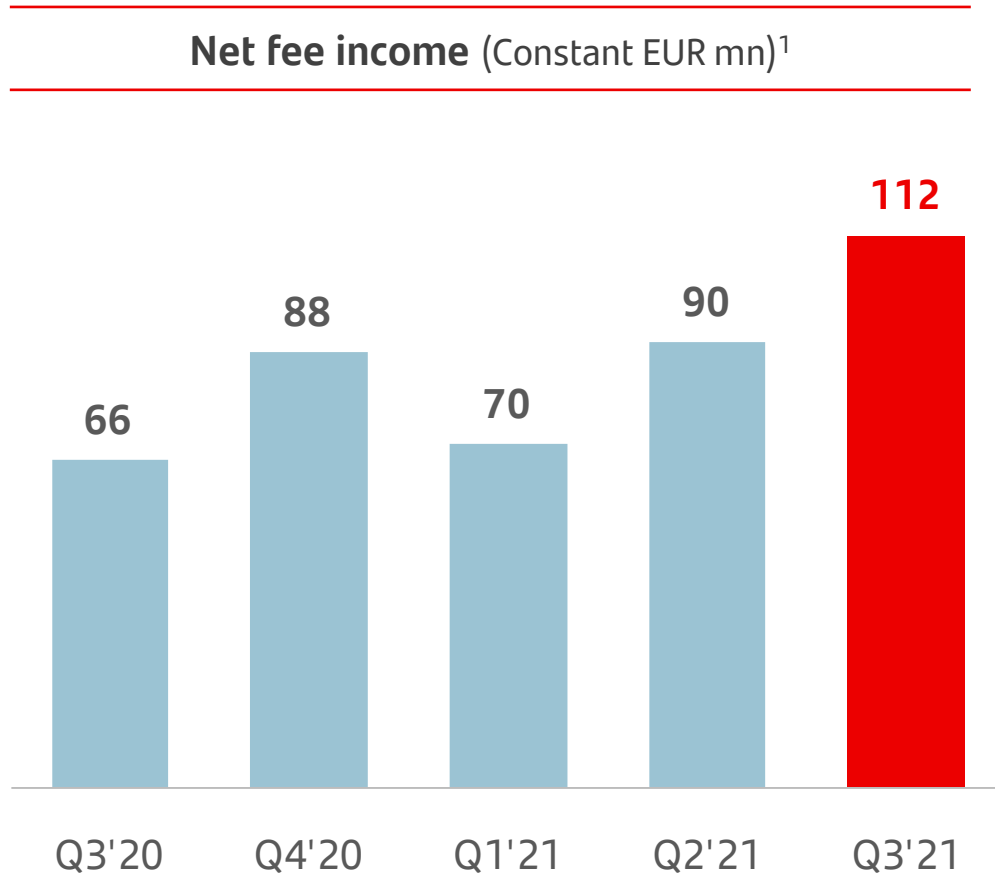


Differential

9.7 pp	10.0 pp	10.4 pp	10.2 pp	9.5 pp
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Net fee income increased 72% YoY, underpinned by transactional and investment & pension funds fees

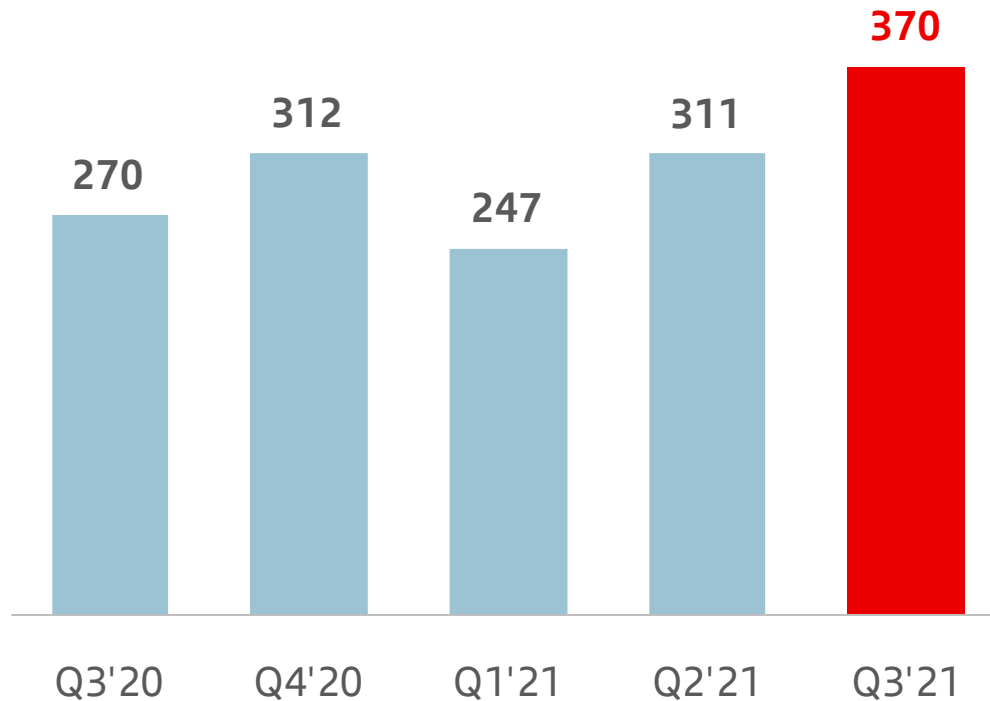


	9M'21	9M'20	YoY (%)	QoQ (%)
Transactional fees	177	112	58.0	23.5
Payment methods	64	31	106.3	20.6
Transfers, drafts, cheques and other orders	43	22	96.8	27.4
Foreign exchange currencies	4	16	-73.8	88.9
Other transactional	66	43	53.7	20.9
Investment and pension funds	25	11	116.0	15.1
Insurance	21	14	52.5	10.8
Securities and custody services	7	3	97.5	24.7
Other	42	17	147.5	35.3
Total net fee income	272	158	72.2	23.8



Total income increased 32% YoY on the back of higher NII, net fee income and gains on financial transactions

Total income (Constant EUR mn)¹

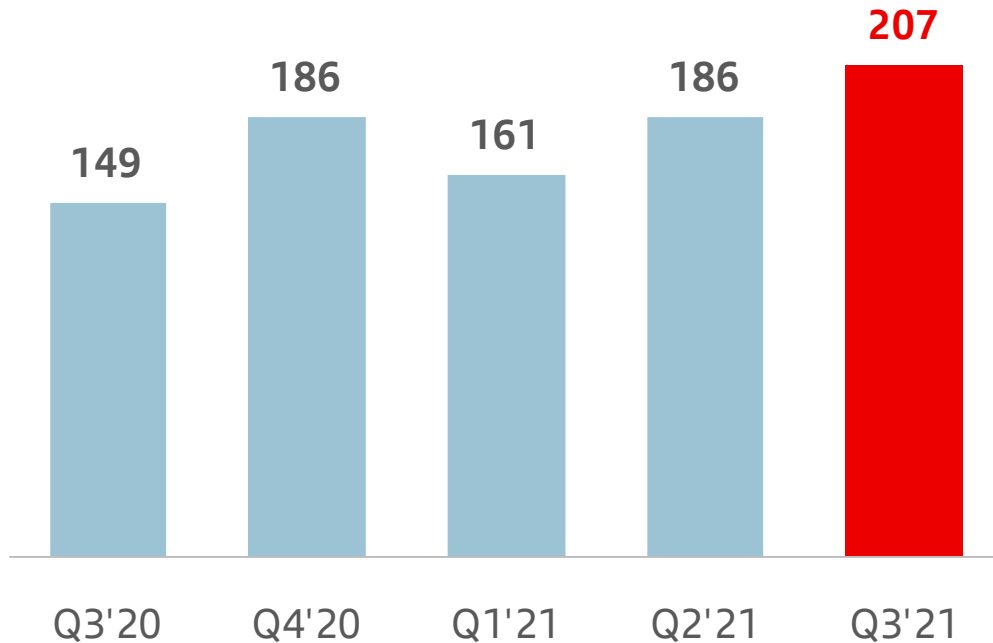


	9M'21	9M'20	YoY (%)	QoQ (%)
Net interest income	708	563	25.6	11.7
Net fee income	272	158	72.2	23.8
Customer revenue	979	721	35.8	15.0
Other ²	(51)	(16)	-	-39.5
Total income	929	705	31.8	18.9



Costs rose 44% YoY impacted by higher inflation, the salary agreement and peso depreciation

Operating expenses (Constant EUR mn)¹



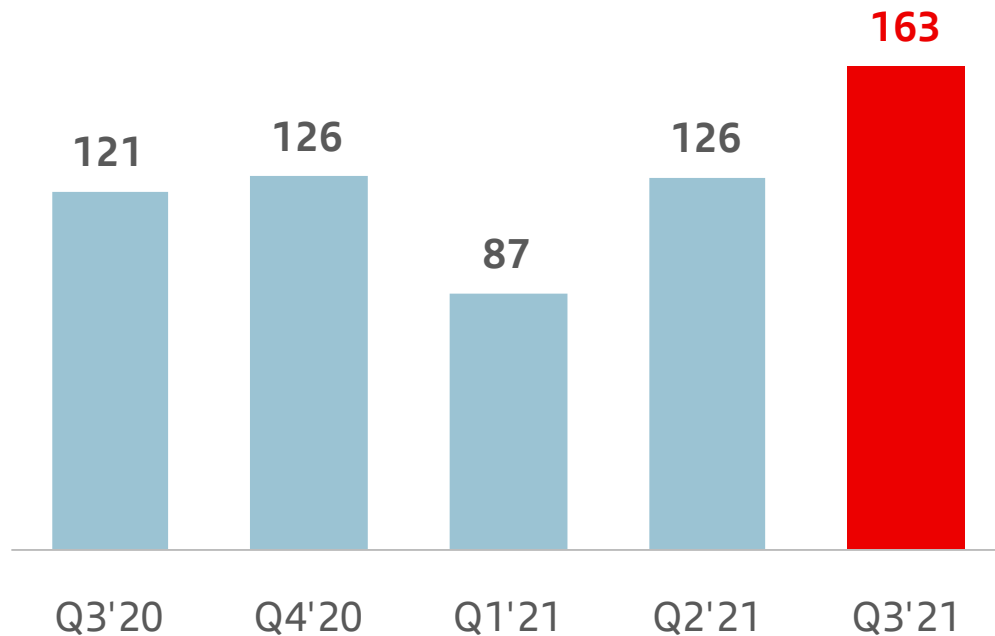
	9M'21	9M'20	YoY (%)	QoQ (%)
Operating Expenses	554	384	44.2	11.6

Branches (#)	408	427	-4.4	0.0
Employees (#)	8,715	9,267	-6.0	-1.1



Net operating income rose 17% YoY and 30% QoQ driven by the good performance in the main revenue lines

Net operating income (Constant EUR mn)¹

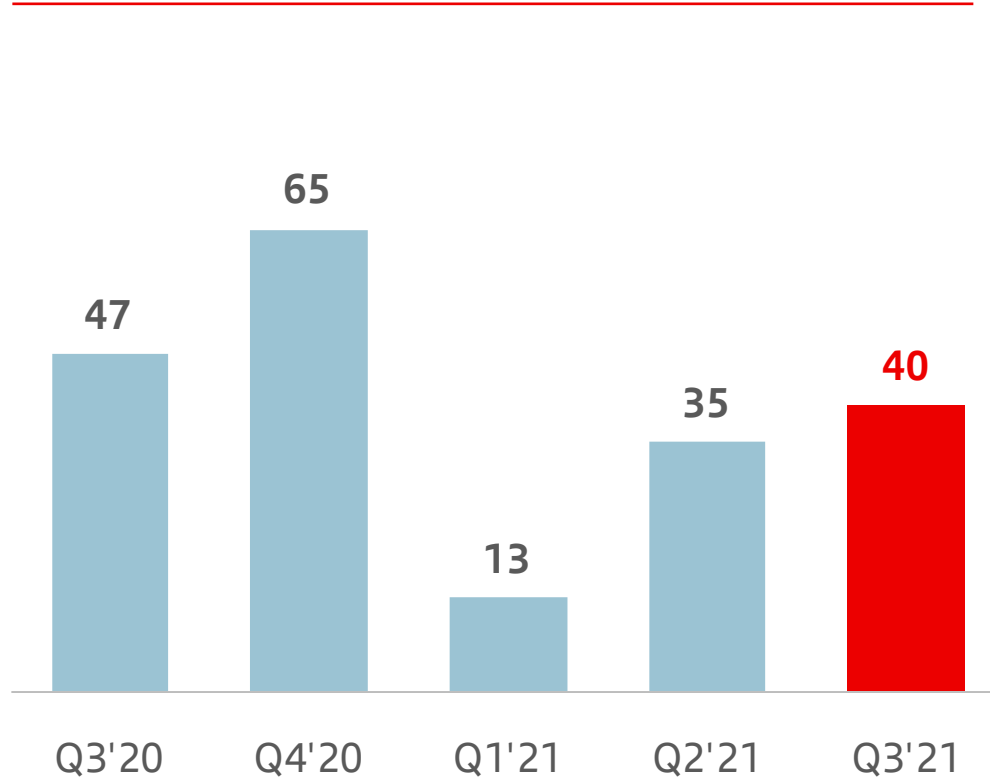


	9M'21	9M'20	YoY (%)	QoQ (%)
Total income	929	705	31.8	18.9
Operating Expenses	(554)	(384)	44.2	11.6
Net operating income	375	321	16.9	29.6
Efficiency ratio	59.6%	54.5%	514 bps	



LLPs fell 36% YoY due to covid-19 related provisions recorded in 2020. Cost of credit improvement QoQ and YoY

Net LLPs (Constant EUR mn)¹



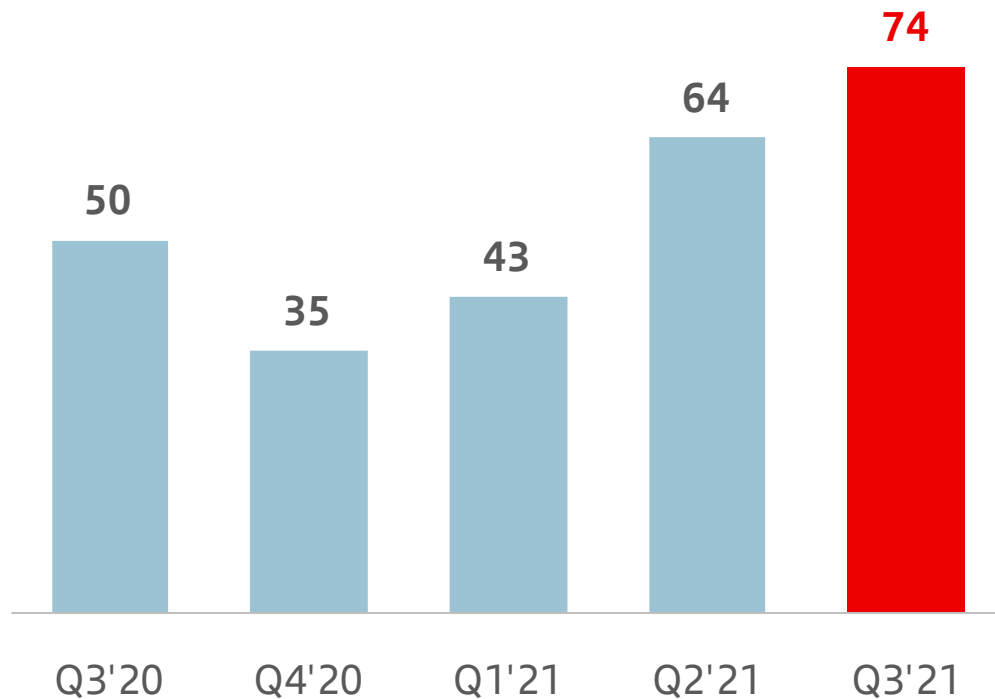
	9M'21	9M'20	YoY (%)	QoQ (%)
Net operating income	375	321	16.9	29.6
Loan-loss provisions	(88)	(139)	-36.4	15.0
Net operating income after provisions	287	182	57.5	35.2

NPL ratio	3.85%	2.88%	98 bps	52 bps
Cost of credit ²	3.51%	5.54%	-203 bps	-43 bps
Coverage ratio	149%	186%	-37.0 pp	-18.3 pp



9M'21 underlying profit rose 43% YoY boosted by higher revenue and lower LLPs

Underlying Attributable Profit (Constant EUR mn)¹



	9M'21	9M'20	YoY (%)	QoQ (%)
PBT	193	144	33.5	60.3
Tax on profit	(11)	(18)	-36.9	-
Consolidated profit	182	127	43.3	14.8
Minority interests	(1)	(1)	27.2	16.5
Underlying attributable profit	180	126	43.4	14.8

Effective tax rate	5.8%	12.3%	-6.5 pp
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Concluding remarks

Financial System

- ▶ Transactional and well capitalized financial system
- ▶ High liquidity levels in both pesos and USD. Excess liquidity placed in Central Bank notes and repos
- ▶ YoY volumes growth mainly driven by local currency loans and deposits

Strategy & Business

- ▶ Santander's strategy will continue to focus on 5 pillars: customer experience, operational excellence, profitable growth, new businesses and culture & talent
- ▶ Building Santander platform and enhancing our network model
- ▶ Volume growth boosted by local currency portfolio

Results

- ▶ Total income increased 32% YoY on the back of higher NII, net fee income and gains on financial transactions
- ▶ Costs rose 44% YoY impacted by higher inflation, the salary agreement and peso depreciation
- ▶ LLPs fell 36% YoY due to covid-19 related provisions recorded in 2020. Cost of credit improvement QoQ and YoY
- ▶ 9M'21 underlying attributable profit reached EUR 180 mn, +43% YoY boosted by higher revenue and lower LLPs

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Balance sheet

Constant EUR million¹

	Sep-21	Sep-20	Variation	
			Amount	%
Loans and advances to customers	4,652	3,518	1,134	32.2
Cash, central banks and credit institutions	4,101	2,409	1,693	70.3
Debt instruments	2,394	1,650	744	45.1
Other financial assets	79	50	30	59.6
Other asset accounts	865	645	220	34.0
Total assets	12,092	8,272	3,820	46.2
Customer deposits	8,860	5,943	2,916	49.1
Central banks and credit institutions	834	767	67	8.8
Marketable debt securities	63	18	45	248.1
Other financial liabilities	762	480	282	58.7
Other liabilities accounts	356	294	62	21.2
Total liabilities	10,875	7,503	3,373	45.0
Total equity	1,216	769	447	58.1
Other managed customer funds	2,425	1,419	1,006	70.9
Mutual funds	2,425	1,419	1,006	70.9
Pension funds	—	—	—	—
Managed portfolios	—	—	—	—



Income statement

Constant EUR million ¹	9M'21	9M'20	Variation	
			Amount	%
Net interest income	708	563	144	25.6
Net fee income	272	158	114	72.2
Gains (losses) on financial transactions	108	40	68	172.9
Other operating income	(159)	(56)	(103)	184.8
Total income	929	705	224	31.8
Operating expenses	(554)	(384)	(170)	44.2
Net operating income	375	321	54	16.9
Net loan-loss provisions	(88)	(139)	50	(36.4)
Other gains (losses) and provisions	(94)	(38)	(56)	149.3
Underlying profit before tax	193	144	48	33.5
Tax on profit	(11)	(18)	7	(36.9)
Underlying profit from continuing operations	182	127	55	43.3
Net profit from discontinued operations	—	—	—	—
Underlying consolidated profit	182	127	55	43.3
Non-controlling interests	(1)	(1)	(0)	27.2
Underlying attributable profit to the parent	180	126	55	43.4



Quarterly income statement

Constant EUR million¹

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Net interest income	148	200	215	259	192	243	272
Net fee income	47	45	66	88	70	90	112
Gains (losses) on financial transactions	14	8	17	16	30	35	43
Other operating income	(13)	(14)	(29)	(52)	(45)	(57)	(57)
Total income	196	239	270	312	247	311	370
Operating expenses	(115)	(120)	(149)	(186)	(161)	(186)	(207)
Net operating income	81	119	121	126	87	126	163
Net loan-loss provisions	(46)	(45)	(47)	(65)	(13)	(35)	(40)
Other gains (losses) and provisions	(8)	(13)	(16)	(26)	(32)	(32)	(29)
Underlying profit before tax	27	60	57	35	41	58	93
Tax on profit	(6)	(5)	(7)	0	2	6	(19)
Underlying profit from continuing operations	21	55	51	36	43	65	74
Net profit from discontinued operations	—	—	—	—	—	—	—
Underlying consolidated profit	21	55	51	36	43	65	74
Non-controlling interests	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Underlying attributable profit to the parent	21	54	50	35	43	64	74

Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair

